

## ABSTRACT

An expense management method for controlling a budget of each department in an organization is provided in an operational environment which includes a plurality of terminal units electrically connected to a host via an electronic communications network. Firstly, a user stores a total budget of a department in the host. Secondly, a user sends a purchase requisition of the department from a terminal unit of that department to the host via the network. Thirdly, the host calculates a budget balance of the department according to the total budget and a history of expenses of the department that is stored in the host. Finally, the host determines if a total cost of the purchase requisition exceeds the budget balance of the department. If the total cost is within the budget balance, the host sends purchase order to an appointed supplier. Otherwise, the host sends an alarm to the user.